

# Consumer's Guide to Day Care Liability Insurance

OFFICE OF THE COMMISSIONER OF INSURANCE

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## Should I have day care liability insurance?

Yes. Anyone who operates a day care facility should have insurance to cover property damage and bodily injury to children in your care.

## How can I buy this coverage?

If you operate an unlicensed facility, your homeowner's, tenant's, or condominium policy may or may not include coverage for your day care operation. Some companies include day care coverage without charging any additional premium. Some companies will add the coverage as an endorsement and charge an extra premium for it. Other companies exclude coverage for day care. If you already have insurance, you should check with your agent to find out if day care coverage is included in your policy or may be purchased for an additional premium.

## If you operate a licensed facility, you will need to buy a separate business policy to cover your day care operation.

Under state law (Chapter 48, Wis. Stat.), anyone who is paid to provide care or supervision for four or more children under the age of seven is required to obtain a license.

## What about costs and acceptability?

The costs vary. Premiums may vary significantly from company to company depending on the rating factors used by the companies. Previous claims history, years of operation, number of children cared for, and type of facility used will affect the rate. A physical inspection of the premises may be required.

For unlicensed facilities, the rates generally are based on the amount of liability limits you carry in your home, tenant, or condominium policy.

For licensed facilities, the rates are based on the amount of liability coverage you decide to carry and the number of children that will be in your care.

## What does the insurance cover?

Day care liability protection will provide coverage up to the policy limits for property damage and bodily injury to

children in your care to the extent you are held legally liable. Some policies may also provide medical payments coverage.

Generally, day care liability insurance does not cover the use of draft or saddle animals, motor vehicles, watercraft, or intentional acts of physical and sexual abuse. There may be other exclusions in the policy. You should ask your agent about them before you buy the policy.

## How do I increase my chances of getting affordable liability insurance?

Try to bring your facility in line with your insurance company underwriting guidelines. It may mean putting off the swimming pool for a few years, fencing in a play area, fencing out the family pet, hiring an experienced helper, or installing a few fire extinguishers and smoke alarms. By doing these things, you will not only make it easier to get insurance, but it may also reduce the amount you have to pay for insurance. Day care providers can help keep insurance affordable by providing safe and responsible care in a clean and healthy risk-free environment.

Do not hesitate to ask your insurance agent about the underwriting requirements regarding day care liability for the companies they represent.

## How do I find this coverage?

If your present agent is unable to assist you, check with other day care operators. Agents and companies are listed alphabetically and by location in the yellow pages. The Wisconsin Early Childhood Association, (608) 240-9880 or (800) 783-9322, may be able to assist you.

The Insurance Commissioner's Office surveyed insurance companies in May 2002. The companies listed below responded to the survey. The list is subject to change and there may be other companies offering this coverage in Wisconsin. Inclusion on the list does not represent an endorsement by the Insurance Commissioner's Office.

The following companies provide day care coverage in a home caring for three or less children for no additional premium. This applies to the condominium policy.

Farmer's Insurance Group (Farmer's Insurance Exchange, Mid-Century Insurance Company and Truck Insurance Exchange)

The following companies reported that they would provide day care coverage in a home caring for three or fewer children by endorsement for additional premium.

ACUITY Mutual Insurance Company  
Allstate Insurance Company  
American Family Mutual Insurance Company  
Economy Premier Assurance Company  
Farmers Insurance Group\*  
Germantown Mutual Insurance Company  
Integrity Mutual Insurance Company  
Milwaukee Casualty Insurance, Inc.  
Rural Mutual Insurance Company  
SECURA Insurance Company  
State Farm Fire and Casualty Company  
West Bend Mutual Insurance Company  
Wilson Mutual Insurance Company

\*(Farmer's Insurance Exchange, Mid-Century Insurance Company and Truck Insurance Exchange. Not available for renters. Limits up to \$500,000 available, 1-6 children.)

The following companies reported that they will provide day care coverage on a commercial basis for licensed day care facilities:

ACUITY Mutual Insurance Company  
Capitol Indemnity Corporation  
Church Mutual Insurance Company  
(church-related only)  
State Farm Fire and Casualty Company  
West Bend Mutual Insurance Company

For more coverage and premium information, call your insurance agent or contact the insurance company.

If you are not satisfied with the service you are receiving, contact your company or agent. Some industry associations may help. They are:

Community Coordinated Child Care (4-C), Inc.  
5 Odana Court  
Madison, WI 53719  
(608) 271-9181 (Dane County)  
(800) 750-5437 (Wisconsin Counties of Columbia, Dodge, Jefferson, Sauk, and the Ho-Chunk Tribe)

Center for Public Representation, Inc.  
P.O. Box 260049  
Madison, WI 53726-0049  
(608) 262-9143

Community Insurance Information Center  
700 West Michigan Street, Suite 350  
Milwaukee, WI 53233  
(414) 291-5360

Wisconsin Early Childhood Association  
744 William Street, Suite 200  
Madison, WI 53703  
(608) 240-9880  
(800) 783-9322

If you have a specific complaint about your insurance, refer it first to the insurance company or agent involved. If you do not receive satisfactory answers, contact the Office of the Commissioner of Insurance (OCI).

For information on how to file insurance complaints call: (608) 266-0103 (In Madison) or 1-800-236-8517 (Statewide)

Mailing Address

Office of the Commissioner of Insurance  
P.O. Box 7873  
Madison, WI 53707-7873

Electronic Mail

information@oci.state.wi.us  
(please indicate your name, phone number, and e-mail address)

OCI's World Wide Web Home Page

<http://oci.wi.gov>

A copy of OCI's complaint form is available on OCI's Web site. You can print it, complete it, and return it to the above mailing address.

**Disclaimer**

This guide is not a legal analysis of your rights under any insurance policy or government program. Your insurance policy, program rules, Wisconsin law, federal law and court decisions establish your rights. You may want to consult an attorney for legal guidance about your specific rights.

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